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Date 2-24-81

Surname... [REDACTED]

FEB 0 3 1981

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code.

The information submitted indicates you were incorporated under the laws of [REDACTED] on [REDACTED]. The incorporators were the following individuals: [REDACTED]

[REDACTED] These individuals, all members of the same family, also serve as your Board of Directors and as officers of the corporation. Five of these individuals reside at [REDACTED], the corporate address.

Article [REDACTED] of your Articles of Incorporation reads as follows:

This corporation is organized exclusively for the purposes of religious, charitable, and educational pursuits, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law).

To provide, license, ordain and maintain clergy, ministers, workers, chaplains and teachers,

To encourage gifts, bequests, endowments and appropriations from firms, individuals, estates, trusts, corporations, foundations and other lawful sources for the use and disposition of the religious, charitable, educational and benevolent purposes of this corporation,

To encourage and promote family unit worship, to strengthen the family bond as a religious entity, for spiritual training of children,

To encourage, foster and strengthen the concept of marriage as a religious bond and sacrament ordained of God,

To encourage the establishment of the family altar, family prayer, family worship, scripture study, the adherence to the celestial law of accounting and encouragement of members and friends of live a religious life, to sponsor religious retreats, conferences, institutes, or seminars,

To encourage the members and friends that when God gave to each person their agency, God also gave to each person the principle of accountability. The members reaction to temporal things reflects their spiritual condition. The members should be anxiously engaged in a good cause and do many things of their own free will and bring to pass much righteousness into God's kingdom here on earth. The members should be wise stewards over their talents. Each should be able to account well and faithfully for his own spiritual and temporal growth. All should increase their talents and increase their storehouse to please God.

Article ■ of your By-Laws reads as follows:

The primary purpose of the corporation is to provide instruction and training activities through the use of publishing, discussion groups, forums, panels, lectures, workshops, seminars and other related instruction and training activities.

The secondary purpose of the corporation is to participate in radio or television broadcasting, to produce films, to give information or opinion, to provide apprentice training and to develop travel tours.

You intend to provide educational and consultant services through workshops, lectures, and discussion groups. These services will be designed to help individuals reach "self actualization" and, either directly or indirectly, lead to the establishment of "Zionic communities." To date, four workshops have been held for nursing home administrators in ■■■■■. The workshops were held in August and September, ■■■■, and were entitled Public Relations Part I, Public Relations Part II, the Process of Aging, and Perceptions of Aging. ■■■■ persons participated in August and ■■■■ in December. At \$■■■■ per person per hour of instruction, the corporation showed a net profit for these two workshops of approximately \$■■■■.

One of your major projects thus far has been the acquisition, rehabilitation and development of real estate for corporation activities. ■■■■■ donated a building located at ■■■■■, adjacent to the ■■■■■ family residence. At

[REDACTED]

the present time the building is used for storing mowing equipment and building materials owned by you and is also rented out as a garage. It is anticipated that this property will be converted to a "dorm" to house persons attending your workshops and seminars and also will be available for persons in "stressful circumstances such as unwed mothers and unwed fathers and persons needing special counseling in residence."

Property located at [REDACTED] which from the description of the property on the deed, appears to be located adjacent to property owned or donated by the [REDACTED] family, was purchased by the corporation at an auction for \$[REDACTED]. Because of the deterioration of the basement of this building, it was necessary to secure a loan of \$[REDACTED] to put a new basement under the building. The building is in the process of being "rolled" over to the new basement and is expected to serve as the "headquarters" of the corporation to hold workshops, seminars, institutes, etc.

You have financed a trip to Edinburgh, Scotland, taken by [REDACTED], your Vice President for Curriculum, who arrived in London, England on July 10, [REDACTED], and left on July 21, [REDACTED]. The trip was a general familiarization with the area for possible future workshops. No specific persons or places were visited. The itinerary included London, Edinburgh, Sterling, Inverness, Fort William, Stratford and London. In addition, trips have been financed for your Executive Vice President, [REDACTED], to provide "ministerial consultant services." These trips included a 5-day trip to Kaneohe, Hawaii, to give a series of sermons to [REDACTED] and a trip to Los Angeles, California to pray for and anoint the head of a woman in terminal cancer.

[REDACTED] is in the process of writing a manuscript entitled [REDACTED] which will be published and copyrighted by you. This manuscript deals with the religious values, ideology, beliefs and doctrine underlying the purpose and need for the "kingdom of God on earth" and will show how people may "initiate and develop . . . [REDACTED] practices. . . in personal and organizational life."

"Long range" activities proposed by you include "(1) producing films, (2) nonscientific study and research, (3) giving information or opinion, (4) apprentice training in educational leadership in instructional areas, (5) travel tours and (6) other educational instruction and training" and have been stated to be 3 to 5 years away.

Financial data submitted indicates that \$ [REDACTED] in contributions was received by the corporation in your first fiscal year ending December 31, [REDACTED]. Of this amount \$ [REDACTED] was contributed by the immediate [REDACTED] family including the real property located at [REDACTED] valued at \$ [REDACTED]. A schedule attached to your application for exemption shows the following expenditures in [REDACTED]:

Field Trips	\$ [REDACTED]
Flower Fund	[REDACTED]
Educational expense	[REDACTED]
Educational programs	[REDACTED]

Your responses to two requests for clarification of these items show that the category "Field Trips" included certain expenses incurred by [REDACTED] on her trip to Scotland (site selection), certain expenses incurred by [REDACTED] on his trips to Hawaii and Los Angeles (ministerial consultant services), and a "reserve fund" of \$ [REDACTED] for some future unnamed expenses. The category "educational expenses" included payments for repairs to the property at [REDACTED] property insurance, and utilities. The category "educational programs" was first described as for "research operations" and later as a "special reserve fund" to be used for (1) attendance at workshops, seminars, classes or conventions where information is given on the operation of non-profit corporations; (2) the purchase of books or manuals dealing with non-profit corporations; (3) expenses connected with library research on the operation of non-profit corporations, and (4) any fees that might be required for attorneys or enrolled agents for research into corporation structure and operations for non-profit corporations.

Section 501(c)(3) of the Code provides, in part, for the exemption from federal income tax of organizations organized and operated exclusively for religious, charitable, or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as "operated exclusively" for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an organization is not organized or operated exclusively for one or more of the purposes specified in subdivision (i) of section 1.501(c)(3)-1(d)(1) unless it serves a public rather than a private interest. Thus, to meet the requirement of this subdivision, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests such as designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such interests.

Rev. Proc. 80-25, 1980-1 C.B. 667, provides that an organization that has not yet carried on any substantial activities can receive an exemption ruling if it can describe its proposed activities in sufficient detail to show clearly that they will fall within the statutory requirements.

From the information submitted we are unable to discern a clearly conceived program designed to accomplish specific exempt purposes. Your activities to date have been randomly formulated in an ad hoc, impromptu, manner. Expenditures for repairs to real property and "site selection" are remote from any existing or planned charitable program.

Also, in light of your present structure and activities, we are unable to conclude that your income will not inure to the benefit of your founders.

Accordingly, you have not established that your activities will be carried on in a manner consistent with the statutory requirements and, therefore, are not entitled to exemption under section 501(c)(3) of the Code.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your principal officers, must be submitted in duplicate within 21 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your principal officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practice requirements.

If we do not hear from you within 21 days, this ruling will become final, and copies of it will be forwarded to the District Director, St. Louis, Missouri.

[REDACTED]

If you do not protest this proposed ruling in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7429(b)(2) of the Internal Revenue Code provides, in part, that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

When sending additional letters with respect to this case to the Internal Revenue Service, you will expedite their receipt by placing the following symbols on the envelope: E:EO-T:R:1-3, Room 6236. These symbols do not refer to your case but rather to its location.

Sincerely yours,

(Signed) [REDACTED]

cc: [REDACTED]

[REDACTED]
Chief, Filings Section 1
Exempt Organizations
Technical Branch

cc: [REDACTED]

cc: [REDACTED]

[REDACTED]

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